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ANTARCTIC. 2 Jan.—Chilean expedition (*see Chile*).

ARGENTINA. 1 Jan.—Perón statement (*see Bolivia*).

AUSTRALIA. 28 Dec.—It was learnt that the Bill granting £A10 million to Great Britain had received the Royal Assent.

31 Dec.—Evatt meeting with Malan (*see South Africa*).

1 Jan.—Invitation to Conference on Indonesia (*see India*).

2 Jan.—Mr Chifley, Prime Minister, said in a New Year broadcast that he had pledged every possible support to Britain in her struggle for economic stability.

5 Jan.—It was announced that two observers would attend the Delhi Conference on Indonesia.

AUSTRIA. 1 Jan.—The British authorities handed over to the Austrians control of the frontier with Italy.

BELGIUM. 29 Dec.—Ruhr Agreement (*see Six-Power Conference*).

5 Jan.—It was stated that a trade and financial agreement with Italy had been signed.

BOLIVIA. 1 Jan.—President Perón of Argentina was reported to have told the Bolivian press that Argentina supported her desire for an outlet to the sea.

BULGARIA. 22 Dec.—Resolution on Macedonia (*see Yugoslavia*).

Macedonia. In a speech before the Communist Congress in Sofia, M. Dimitrov, Prime Minister, was reported to have accused Yugoslavia of trying to annex Pirin Macedonia and to have called for the return to Bulgaria of 'purely Bulgarian territories grabbed by King Alexander after the first World War'. The only obstacle to a Balkan federation and to the creation within it of a federal Macedonia was the unco-operative attitude of the Yugoslav leaders.

30 Dec.—Kardelj on federation (*see Yugoslavia*).

2 Jan.—An organization called the 'People's Front of Yugoslavs in Bulgaria' was set up in Sofia by anti-Tito refugees.

BURMA. 30 Dec.—The Government issued orders accepting the surrender of the insurgent People's Volunteer Organization.

5 Jan.—Conference on Indonesia (*see India*).

CANADA. 27 Dec.—It was announced that the Government had agreed to recognize Israel.

28 Dec.—*Defence.* Mr Claxton, Defence Minister, announced that the defence programme for the next year would be the largest in Canadian peace-time history, with the emphasis on jet aircraft, improved anti-submarine vessels, airborne forces, and troops trained in Arctic warfare.

30 Dec.—In a speech in Ottawa, Mr Howe, Minister of Trade and

Commerce, said that unprecedented levels of production, exports, income, and employment had been reached in 1948. Exports to western Europe had been maintained largely on account of the European Recovery Programme.

5 Jan.—Mr Abbott, Minister of Finance, said in a speech in Edmonton that Canada's holdings of gold and U.S. dollars amounted on 31 December to \$998 million—an increase of \$537 million over those of December 1947.

6 Jan.—*Defence*. Mr Claxton, Minister of Defence, stated in Ottawa that steps were being taken to build up stocks of war materials.

CEYLON. 23 Dec.—*Indonesia*. A Government decision to deny harbour or airfield facilities to Dutch ships or aircraft carrying troops or war materials to Indonesia was conveyed in a Note to the Dutch Ambassador in London by the High Commissioner in the United Kingdom.

CHILE. 2 Jan.—*Antarctic*. An expedition was reported to have left Valparaiso to relieve the garrisons of the two Chilean bases in the Falkland Islands' Antarctic dependencies and to set up a third base in South Grahamland.

CHINA. 22 Dec.—*Government Changes*. President Chiang Kai-shek approved the new cabinet which included M. Wu Te-Chen (Foreign Affairs), M. Hsu Yung-Chang (Defence), M. Hsu Kan (Finance), and M. Hung Lan-yu (Interior).

26 Dec.—The Communists published a list of forty Chinese, including seven members of Dr Sun Fo's Cabinet, whom they considered as major war criminals. Gen. Fu Tso-yi, the Nationalist Commander in the northern area, confirmed the loss of Kalgan.

27 Dec.—A report from Nanking stated that Gen. Fu Tso-Yi had ordered all non-combatants to evacuate Tangku, the port for Tientsin.

Gen. Chiang Kai-shek sent a message to the provincial and city councils in the six northern provinces affirming the Government's intention to carry on the war to the very end.

Following reports of recent Communist activity south of Kwantung, martial law was proclaimed throughout Kwantung province.

29 Dec.—Gen. Chiang Kai-shek summoned all regional military commanders to a conference in Nanking. Reports reaching New York stated that Gen. Cheng Cheng, a former Chief of Staff, had been appointed Governor of Formosa.

30 Dec.—A Government spokesman in Nanking said that nearly half a million Communist troops were massing round Suhsien and were faced by 300,000 Nationalist troops north of the Yangtze; 200,000 Government troops were still trapped by the Communists south of Suchow. He also said two-thirds of the Communist forces in north China were massing round Tientsin. According to other reports current in the capital the Communists had seized a thirty-five mile stretch on the north bank of the Yangtze.

31 Dec.—In a New Year message Gen. Chiang Kai-shek said that he was willing to conclude a negotiated peace on the following conditions: it must not be detrimental to national independence and sovereignty, the Constitution must not be violated, the entity of the armed forces must be safeguarded, and the people's free mode of living and minimum living standard must be protected. If the Communists did not want peace the Government would 'fight to a finish'; the Nanking-Shanghai area would be held at all costs. He admitted that the military situation had entered 'an exceedingly perilous stage' and said he must study the wishes of the people, whose burden had increased, and who hoped for an early conclusion of the war. A Communist broadcast issued immediately afterwards declared that the revolution must continue and repeated its list of war criminals headed by Gen. Chiang Kai-shek.

U.S. support (*see U.S.A.*).

1 Jan.—According to the report of a press correspondent, Gen. Chiang Kai-shek told a meeting of the Cabinet and military and civilian leaders that the war must be carried on: '... we can retreat to some small place ... and begin again the recovery of the nation.' He also said that the Government was still strong militarily, politically, and economically.

2 Jan.—Representatives of the North China National Assembly meeting in Peking were reported to have approved the peace move and to have sent a telegram to Mao Tse-Tung, the Communist leader, urging a cease-fire.

Marshal Li Chi-Sheng, former Nationalist Chief of Staff, and M. Chang Lan were reported to have left Hong Kong for Communist territory.

3 Jan.—A report from Shanghai stated that the City Council had appealed to the Communist Government to order a cease-fire and open peace negotiations.

5 Jan.—A Communist broadcast to Gen. Fu Tso-yi threatened imminent attacks on Peking, Tientsin, and Tangku but guaranteed the lives and properties of Kuomintang officers and men in the three cities if they surrendered. In a further broadcast from Shensi the Communists called Gen. Chiang's message 'a peace move aimed at preserving the Chinese reactionaries and American aggressive forces in China', and declared that they intended to continue the revolution.

6 Jan.—A Government spokesman said in Nanking that no reply had been received to the peace offer. The Communist broadcast was only 'the statement of a reporter'.

The Communists were reported to have resumed attacks on the encircled forces at Suchow.

Positions round Tientsin were heavily shelled by Communist forces.

Bullitt statement (*see U.S.A.*).

COSTA RICA. 27 Dec.—Resolution passed (*see U.S.A.*).

28 Dec.—Invasion reported (*see U.S.A.*).

COUNCIL OF FOREIGN MINISTERS. 5 Jan.—*Italian Colonies.* Schuman pledge to Sforza (*see Italy*).

CZECHOSLOVAKIA. 29 Dec.—In an article in *Var*, M. Nejedly, Minister of Education, warned both the Catholic and Evangelical Churches to 'put order in their ranks in their relations with the Republic. The path of every anti-State act leads to a monastery, church, or priest'.

31 Dec.—A new tax designed to 'squeeze out the remaining capitalist elements', the text of which was published, provided for different rates to be levied on nationalized enterprises, approved enterprises, and 'others'.

6 Jan.—Aircraft sent to Palestine (*see Great Britain*).

DENMARK. 6 Jan.—Scandinavian defence (*see Sweden*).

EGYPT. 22 Dec.—Retraction of armistice resolution (*see Palestine*).

23 Dec.—Jewish attack on Egyptian forces (*see Palestine*).

25 Dec.—A communication was sent to the British Government on the subject of the Jewish attack in Palestine.

27 Dec.—The Foreign Ministry issued a statement repudiating Jewish charges that Egypt had shown no genuine desire to co-operate in Palestine. Israel had ignored the Security Council's order of 4 November (*see Vol. IV, p. 745*) and had immediately afterwards attacked Egyptian positions.

28 Dec.—The Prime Minister, Nokrashy Pasha, was assassinated in Cairo by a member of the Muslim Brotherhood (which was dissolved on 8 December). Ibrahim Abdul Hadi Pasha, chief of the Royal Cabinet, was nominated to succeed him and formed a new Cabinet including all the former members except the Foreign Minister, who was replaced by Ibrahim Dessuky Abaza Pasha, Liberal.

29 Dec.—Jewish frontier breach (*see Security Council*).

2 Jan.—The Ministry of War and Marine claimed that Egyptian forces had repulsed the Israeli offensive in the Negeb and were 'strafing' the retreating columns from the air. Three Israeli aircraft had been shot down and three damaged in extensive air-raids over Israeli territory. In a naval engagement off Tel Aviv, Israeli warships had received three direct hits.

3 Jan.—The Prime Minister, Hadi Pasha, told Parliament that he Government's main objectives included the withdrawal of foreign troops from Egypt and union with the Sudan.

4 Jan.—Statements on frontier breach and U.S. representations (*see U.S.A.*).

5 Jan.—Request for cease-fire and armistice. Jewish frontier breach (*see Palestine*).

EIRE. 28 Dec.—Mr MacBride, Foreign Minister, sent a telegram to the Foreign Minister of Hungary expressing 'grave anxiety' about the arrest of Cardinal Mindszenty.

1 Jan.—The Government made orders granting reciprocal rights to the citizens of the United Kingdom, the British colonies, and New Zealand in Eire.

ETHIOPIA. 22 Dec.—It was announced that Notes had been sent to Britain, France, the U.S.S.R., and the U.S.A. demanding the surrender for trial as war criminals of Marshals Badoglio and Graziani.

EUROPEAN ECONOMIC CO-OPERATION. 3 Jan.—In its report on the one-year programme which was published, the O.E.E.C. estimated that the aid required in 1949–50 would be \$4,347 million as compared with \$4,850 million in the current year. Imports from the dollar area would be \$6,326 million as against \$6,340 million in 1948–49 while exports to the dollar area would increase by 25 per cent and total exports by 18 per cent. A general rise was foreseen in the production of grain (3–6 per cent in the event of a good harvest) and industrial output (5–10 per cent), and also in the level of consumption. It was stressed that the figures were provisional since owing to lack of time the programmes had not been sufficiently co-ordinated and since the sum to be voted by Congress was still in doubt. The individual programmes were, in general, criticized as being over ambitious and it was pointed out that some countries would find difficulty in achieving their investment programmes in conjunction with the estimated rise in the level of consumption.

5 Jan.—The interim report on the long-term programme was published showing how the nineteen nations planned to dispense with Marshall Aid by 1952 and containing criticism of the individual programmes. It was stressed that the figures were not final, and the lack of co-ordination between the programmes was illustrated by the comment that the 'non-sterling participants . . . expect to sell \$400 million more goods to each other than they intend to buy from each other'. It was estimated that industrial production would rise by about 30 per cent over the pre-war level and agricultural production by about 15 per cent but this achievement was conditional on 'an increase of 15 per cent in output per manhour during the next four years'. Export and import possibilities had been over-estimated and would have to be reduced. On the question of the relations between the sterling *bloc* and the other participants it said that if Britain 'is itself in balance, there should not be an overall shortage of sterling'. This matter would be further considered by the O.E.E.C. The use of the resources of western Europe was discussed and attention drawn to the main problem of how best to divide resources in each country between investment and consumption. This could only be solved if the countries co-ordinated their investment policies and studied the possibilities of specialization.

A statement by M. Marjolin, Secretary-General of the O.E.E.C., which was also published, pointed out that the sum of the dollar deficits implicit in each of the programmes, amounting to \$1,000 million, was based on optimistic forecasts and that the total deficit would be more likely to be \$3,000 million.

Bissell on long-term plan (*see U.S.A.*).

6 Jan.—It was announced in Paris that the O.E.E.C. had sent to the participating nations technical reports on their long-term and short-term programmes calling for readjustments.

Mr Harriman told a press conference in Paris that the interim long-term report was 'a most encouraging development'. It embodied the firm resolve of the O.E.E.C. to take the leadership in effecting a readjustment of the national programmes so as to narrow the gap between expected earnings and needed imports. He believed that the E.R.P. nations would be able to attain a 'manageable situation' in 1952-53.

FINLAND. 30 Dec.—M. Fagerholm, Prime Minister, accused the Communist Party of 'trying to jeopardize the country's relations with other Powers'. (This followed articles in the Communist press accusing the Cabinet of attempts to incorporate Finland into the western bloc and a Soviet Note complaining of anti-Soviet propaganda in Finland.)

FRANCE. 22 Dec.—M. Peyrouton, Minister of the Interior in the Vichy Government, was acquitted by the High Court.

23 Dec.—*Budget.* M. Queuille, the Prime Minister and Finance Minister, told the National Assembly during the Budget debate that the nationalized industries had lost 55,000 million francs during 1948.

24 Dec.—*Budget.* The National Assembly adopted the Budget by 323 votes to 260.

27 Dec.—M. Ramadier, Defence Minister, answering questions during an Assembly debate on the appropriation of 40 million francs for the headquarters of the Western Union defence committee at Fontainebleau, said that the committee was an organ for mutual consultation, not one of command; it was under the chairmanship and not under the orders of Field-Marshal Montgomery; it involved no sacrifice of French sovereignty; and it was politically subordinated to the Council of Defence Ministers of the five Brussels' Pact Powers. The Bill was passed.

28 Dec.—The Finance Committee of the Council of the Republic rejected the Budget by 15 votes to 12.

29 Dec.—The Foreign Affairs Committee of the National Assembly unanimously rejected the Bill authorizing the President to ratify the Franco-Italian frontier agreement of 8 July (*see Vol. IV, p. 484*).

Ruhr. Draft agreement (*see Six-Power Conference on the Ruhr*). The Council of Ministers expressed their satisfaction at the agreement which was 'in accordance with the viewpoint maintained by the French Government'.

30 Dec.—It was announced that 14,460 million francs had been lost as a result of the recent coal strikes.

It was announced that a 6,000 million franc trade agreement with Poland had been signed.

31 Dec.—*Budget.* After the Budget had been rejected by the Upper House, the National Assembly passed it at a second reading by 327 votes to 244.

3 Jan.—Note on German prisoners of war (*see U.S.S.R.*).

4 Jan.—Statement on Western Union (*see Great Britain*).

6 Jan.—In an article in his party organ *Rassemblement*, Gen. de Gaulle predicted victory for the R.P.F. in 1949. 'The feudal system crushing

France must be swept aside. It is our task to render the Republic capable of ensuring the destiny of France.'

GERMANY. 26 Dec.—Symington on air lift (*see Great Britain*).

27 Dec.—Mr Royall, U.S. Secretary of the Army, told a press conference in Berlin that 'on the basis of the most reliable intelligence survey' thirteen million people, including nine million Russians and two million Germans, were imprisoned in concentration camps in the U.S.S.R.

Air Lift. A report from Berlin stated that in the first six months of the operation just ended, a total of 700,172 tons of supplies had been brought in.

29 Dec.—*Ruhr.* Draft agreement (*see Six-Power Conference on the Ruhr*).

German reaction to the agreement was generally very unfavourable. A statement issued from the headquarters of the Social Democratic Party said it exceeded its worst expectations and would make the idea of international economic co-operation unpopular in Germany. Dr Erhard, the bi-zonal Director of Economics, described it as 'one of the most disastrous decisions made since the end of the war', and Herr Böckler, head of the western T.U.C., said that it alienated the unions by its lack of consideration for the working class.

30 Dec.—*Soviet Zone.* Herr Pieck, joint chairman of the Socialist Unity Party, said in an interview that it was 'physically incorrect' to suppose that the rule of the working class had been established in the Soviet Zone, and added that the 'People's Council' did not intend to set up an independent Government for the Zone.

British Zone. In a letter to Dr Arnold, Prime Minister of North Rhine-Westphalia, Gen. Bishop repudiated the German charges of British extravagance (*see Vol. IV, p. 835*); occupation costs had, in fact, been reduced. He condemned the Finance Minister's action as 'grossly improper' and concluded that though Military Government was prepared to consider constructive advice it would not be influenced by documents calculated to produce an exaggerated and distorted picture. In reply the Finance Ministry issued a statement maintaining that the German report had been based on documentary evidence, and giving further statistics to prove the high level of occupation costs.

Mr Logan, head of the Joint Export-Import Agency, reported that during 1948 western Germany had trebled her exports and was paying for nearly half her imports. Further prospects were very good.

31 Dec.—*Ruhr.* The 'People's Council' issued a manifesto protesting against the agreement. Dr Arnold, Premier of North Rhine-Westphalia, put forward a counter proposal by which the production of the Ruhr and the Saar, the ore deposits of Lorraine, and the heavy industries of Belgium and Luxembourg would jointly contribute to European recovery.

Gen. Robertson returned to Germany. In an official statement he said that criticism of the agreement was unjustified and useless. If Germany wished to see it altered she must prove that she could and would

comport herself as a responsible and co-operative partner with the other democratic countries.

2 *Jan.—Berlin.* A conference of the Berlin branch of the Social Democratic Party discussed future policy in the new western Assembly and adopted a programme which in general offered a basis for co-operation with the two minority parties. In a speech warning the Germans against nationalism, Professor Reuter, Lord Mayor, said: 'The German people nourishes no hatred against the Russian people, but only against Soviet occupation policy.'

British Zone. Herr Reimann, chairman of the Communist Party, protested at a party demonstration in Düsseldorf against the Ruhr agreement and the coming Occupation Statute and declared that any German politician who co-operated in carrying them out would be considered a Quisling.

3 *Jan.—Refugees.* A report from Düsseldorf said that illegal immigrants from eastern Germany were arriving in North Rhine-Westphalia at the rate of 10,000 a month. The total number of refugees in the British Zone was estimated at 3,950,000 or 260 per cent of the figure agreed on at Potsdam.

Ruhr. German workers refused to obey British orders to continue dismantling the Bochumer Verein steel plant.

Berlin. The Soviet authorities were reported to have strengthened the German police control in their sector.

Statements on prisoners of war (*see U.S.S.R.*).

4 *Jan.—Bizone.* Serious differences between Social Democrats and Christian Democrats were reported from Bonn following S.P.D. allegations that Dr Adenauer, C.D.U. President of the Parliamentary Council had asked the Military Governors on 16 December (*see Vol. IV, p. 837*) to arbitrate between the parties in questions affecting the draft Constitution. At a meeting of the Council of Elders, the Christian Democrats declared that they could not continue co-operation with the Social Democrats unless the honour of Dr Adenauer were restored. The S.P.D. representatives maintained that their criticism was justified.

It was announced that the 1946 and 1947 bizonal fusion agreements had been extended for three months in anticipation of arrangements for the merger of the French Zone with Bizonia.

5 *Jan.—Berlin.* Herr Grotewohl, joint chairman of the Socialist Unity Party, announced that the Communist Party of western Germany had decided to separate from the Socialist Unity Party because conditions in the eastern and western Zones necessitated different policies.

Bizone. The Social Democratic leaders at Bonn issued a statement absolving Dr Adenauer from improper conduct.

Ruhr. The Military Government was reported to have instructed the workmen engaged on the dismantling of the steel plant at Bochum to return to work.

6 *Jan.—Ruhr.* Reports from Düsseldorf described a German publication, *Démontage*, which set out the German case against dismantling and which had recently been widely circulated in the Ruhr. Ten

thousand copies printed in English had been sent to Great Britain and the U.S.A.

GREAT BRITAIN. 23 Dec.—*Yugoslavia.* After sixteen months negotiations three agreements were signed covering: (1) short term trade; (2) compensation for nationalized and expropriated British property in Yugoslavia; (3) money and property.

(1) Britain agreed to send about £15 million worth of textiles, raw materials, crude oil, chemicals, and machinery in exchange for timber, wood products, and food of the same value during the twelve-month period ending 30 September 1949. Provision was made for further negotiations for a long-term agreement. (2) Yugoslavia undertook to pay a total of £4,500,000, of which £450,000 was to be remitted in 1949 and the remainder at a later date subject to further negotiations. (3) This provided for the return of British money and property in Yugoslavia outside the scope of the compensation agreement, and for the return of Yugoslav property in Britain which was under the control of the custodian of enemy property.

25 Dec.—Communication from Egyptian Government (*see Egypt*).

26 Dec.—Mr Symington, U.S. Secretary of Air, accompanied by Gen. Cannon, Commander of the U.S.A.F. in Europe, visited the U.S. base at Burtonwood after a Christmas tour of units in Germany. He said there was no immediate intention of increasing the tempo of the Berlin air lift which was 'able to meet all demands made'.

Mr Bevin held a conference with his advisers on Palestine.

28 Dec.—Gen. Robertson, Military Governor in Germany, arrived in London.

Australian grant (*see Australia*).

The Polish Embassy issued a summary of a Note handed to the British Government on 8 November drawing attention to 'German revisionist activities' in the British Zone of Germany.

Indonesia. The Communist Party issued a statement condemning Dutch imperialism in Indonesia and calling on the British Labour movement to take all possible steps to end the war.

29 Dec.—Ruhr agreement (*see Six-Power Conference on the Ruhr*).

Statement on wheat agreement (*see Canada*).

30 Dec.—Mr Bevin received Gen. Robertson.

31 Dec.—Discussions on Palestine (*see U.S.A.*).

1 Jan.—The British Nationality Act, 1948, came into force. Reciprocal rights granted (*see Eire*).

2 Jan.—Chifley statement (*see Australia*).

Note on German prisoners of war (*see U.S.S.R.*).

4 Jan.—*France.* In a letter to the *Manchester Guardian* M. Devinat, French Secretary of State, complained of British misunderstanding of French internal difficulties which were due to Communist influence, and said that France was now 'unquestionably convalescent'. He criticized British foreign policy for its lack of realism. The German problem had been succeeded by 'another' and both could only be met by a 'pro-

gressively closer association between the countries of Europe' culminating in the creation of a European Power.

Coal. The Ministry of Fuel issued provisional figures showing that the production of the coal industry had fallen more than 2,500,000 tons below its output target of 211 million tons for 1948.

Western Union. It was announced that the Government had proposed that the next meeting of the Committee on European Unity, fixed for 6 January, should be postponed.

Mr Bevin received the Afghan Ambassador.

Statement on Palestine (*see Palestine*).

5 Jan.—Discussions on Palestine (*see U.S.A.*).

6 Jan.—*Palestine.* A report issued by the Foreign Office declared that the Israeli troops which had crossed the Egyptian frontier had not been withdrawn but were manning defences there. It further alleged that while Britain had enforced the arms embargo of 11 June 1948, Israel had received various types of aircraft from Czechoslovakia and other sources and now possessed an airforce of 114 planes as compared with 40 when the embargo started. A military airfield had been provided in Czechoslovakia to serve as a main clearing house for the traffic, and cargoes had been ferried across by transport planes at a rate of 80 tons a week. Air force volunteers had also arrived from many countries, including Czechoslovakia and Poland.

Northern Ireland. During a meeting which was held between Ministers of the United Kingdom and of Northern Ireland, Mr Attlee, Prime Minister, reaffirmed that 'no change shall be made in the constitutional status of Northern Ireland without Northern Ireland's free agreement'.

Anglo-Soviet Trade. It was announced that a Note had been received from the Soviet Government in reply to a British Note urging greater speed in trade negotiations.

GREECE. 25 Dec.—After attacking the suburbs of Salonika and a neighbouring airfield Communist forces were driven off to the north-east.

27 Dec.—Greek forces claimed to have repelled Communist attacks on Edessa and Naoussa in western Macedonia.

28 Dec.—It was reported in Athens that Communist forces had launched an unsuccessful attack on the Vitsi heights near Kastoria in the north and had shelled Florina.

29 Dec.—Military authorities announced that some 3,000 persons, alleged to be rebel agents, had been arrested in Peloponnesian towns during the past few days.

Mr Harriman, roving Ambassador for E.C.A., arrived in Athens.

3 Jan.—Mr Harriman left Athens for Paris.

6 Jan.—Government forces claimed to have repelled a guerilla attack south of Sparta, inflicting 150 casualties.

HUNGARY. 23 Dec.—Admiral Horthy, the former Regent, left Bavaria for Portugal.

26 Dec.—The President, Mr Szakasits, stated that an agreement between the State and the Catholic Church was one of the first tasks for the New Year. The Government and the people were not against religion but could not tolerate imperialist agents hiding behind the bulwark of the Catholic Church and there was a large popular demand for the liquidation of the 'anti-democratic reaction of the clique round Cardinal Mindszenty'.

27 Dec.—It was announced that Cardinal Mindszenty had been arrested on charges of treason, espionage, and currency speculation.

28 Dec.—A statement issued by the Ministry of the Interior announced twelve further arrests including Prince Paul Esterhazy and Professor Baranyai, leader of the legitimist movement, on charges of disloyalty and black-marketing. It alleged that Cardinal Mindszenty, who had been in close touch with the western Powers, had started a Royalist movement in 1945 and had established ties with the Archduke Otto of Hapsburg in New York. 'Under compulsion of the evidence,' he had confessed guilty to the charges. MacBride's telegram (*see Eire*).

Trade agreement (*see Netherlands*).

29 Dec.—A second statement by the Government alleged that the Cardinal had been a 'fanatic adherent' of the Horthy régime and had stated publicly that the Catholic Church must not oppose Nazism and Fascism. More details were given of his foreign contacts.

30 Dec.—Excommunications (*see Vatican*).

Mr Dobi, Prime Minister, told a delegation of workers that after the arrest of the Cardinal representatives of the ecclesiastical authorities had signed a financial agreement with the Government.

Protest against Cardinal's arrest (*see U.S.A.*).

2 Jan.—President Szakasits, replying to the New Year Greetings of a Roman Catholic delegation led by the Dean of Budapest, said that he agreed on the importance of a reconciliation between the Church and the State. 'I and the Hungarian Government stand unchangeably on the basis of the principle of freedom of confession.'

Relations with the Vatican (*see Vatican*).

4 Jan.—A conference began between members of the Government and twelve representatives of the Bench of Bishops.

5 Jan.—Financial agreement between Church and State (*see Vatican*).

HYDERABAD. 24 Dec.—After having two interviews with the Nizam, Pandit Nehru told a meeting in Hyderabad that the formation of an interim Government and the ending of military administration depended on the creation of conditions of order and security in the State by the people themselves. The Government of India wanted to speed the formation of a popular Government. Communists were free to propagate their creed peacefully, but if they resorted to violence they would be 'finished'.

INDIA. 23 Dec.—*Indonesia*. As a protest against Dutch action, the Government suspended all operations of the Royal Dutch Airlines over Indian territory.

A report from Delhi stated that in a recent drive on the militant Hindu organization, the Rashtriya Swayam Sewak Sangh (R.S.S.), over 15,000 arrests had been made throughout the country.

24 Dec.—Nehru on Hyderabad (*see Hyderabad*).

1 Jan.—Indonesia. In a speech at Allahabad, Pandit Nehru said he had invited thirteen Asian countries to a conference in Delhi to discuss the Indonesian problem. It was hoped that Australia and New Zealand would also attend. The Dutch had committed an act of 'naked and unabashed aggression' in their attempt 'to revive a dying imperialism' which India and, he believed, the countries of Asia could not tolerate. Four minimum requirements were immediately essential—the withdrawal of Dutch forces to the line occupied before the aggression, an inquiry into the aggression, stoppage of all aid to the Netherlands, and the creation of conditions in which the Indonesian Republic could function.

Cease-fire in Kashmir (*see Kashmir*).

4 Jan.—S. African transport ban (*see S. Africa*).

5 Jan.—Indonesia. It was announced that Burma and Iran had accepted the Government's invitation to attend a conference at Delhi. Australian reply (*see Australia*).

6 Jan.—Plebiscite proposals (*see Kashmir*).

INDONESIA. 22 Dec.—Committee of Good Offices report (*see Security Council*).

Suspension of Marshall Aid (*see U.S.A.*).

It was learnt in Batavia that Soerakarta and Blitar in Java, and Boekittinggi, capital of Sumatra, has been occupied by Dutch forces.

23 Dec.—Reports in Batavia stated that Dutch troops had penetrated into Bantam district in north west Java and that another column marching from Tangerang, west of Batavia, had reached Balaredjo. In Sumatra Dutch troops landed in seaplanes on Lake Toba and captured an airfield. The Committee of Good Offices reported that all its members were reunited in Batavia.

24 Dec.—Cease-fire ordered (*see Security Council*).

26 Dec.—A Dutch official announcement stated that all the big towns and important lines of communications in Java had been occupied.

28 Dec.—Release of political prisoners requested (*see Security Council*).

It was learnt in Batavia that the Sultan of Soerakarta had resumed control of his territory in co-operation with the Dutch.

29 Dec.—Dutch reply to cease-fire order (*see Security Council*).

30 Dec.—Emergency Republican Government (*see Security Council*).

31 Dec.—The Dutch authorities stated that the whole of Java was under their control. Reports in Batavia said that Soerakarta had suffered serious destruction as a result of scorched-earth policy. In Sumatra the Dutch had occupied most of the east and west coasts and paratroops had taken Djambi and saved the local oilfields. A deputation from the island of Bawaen arrived in Batavia and surrendered to the Dutch. Drees' broadcast (*see Netherlands*).

1 Jan.—Nehru statement (*see India*).

Asian Conference called (*see India*).

Dutch troops were reported to have landed in South Sumatra and to have occupied Telok Betong.

2 Jan.—It was announced that Gen. Spoor, Commander-in-Chief of the Dutch troops, had issued an order of the day declaring that action in Java had ended on 31 December.

3 Jan.—It was announced that the Dutch authorities had granted 'immediate and complete freedom of movement' to the U.N. observers in Java. Messages reaching Batavia from all parts of the island reported increased activity by Republican gangs against isolated Dutch posts, plantations, and Government officials.

4 Jan.—Drees' statement (*see Netherlands*).

5 Jan.—Gen. Spoor ordered a cease-fire in Sumatra. The task of the Dutch troops there would be limited to action against roving bands.

6 Jan.—Dr Drees arrived at Batavia. Queen Juliana's broadcast (*see Netherlands*). Lovett statement (*see U.S.A.*).

IRAN. 5 Jan.—Conference on Indonesia (*see India*).

IRAQ. 28 Dec.—The Prime Minister, Mudhahim al-Pachachi, was reported to have received Gen. Riley, Chief of the U.N. Truce Supervisory Board in Palestine.

29 Dec.—The Prime Minister told student demonstrators in Baghdad that he had rejected a call for an armistice in Palestine by Gen. Riley, and that the Iraqi Army had resumed fighting there.

30 Dec.—The Prime Minister told Parliament that the Government proposed to introduce general mobilization.

6 Jan.—*Government Changes*. The Government resigned and a new Cabinet was formed by Gen. Nuri Pasha, President of the Senate and a former Prime Minister. In a broadcast speech he appealed for Arab unity to save Palestine.

ITALY. 22 Dec.—*Strikes*. The Cabinet decided to impose minor penalties on those who took part in the recent strikes (*see Vol. IV p. 845*).

28 Dec.—A report from Milan stated that Count Sforza, the Foreign Minister, had had three meetings there with the Italian Ambassador in London, and that he had emphasized in private conversations the importance of friendship with Britain in future Italian developments in Africa.

29 Dec.—Franco-Italian frontier agreement rejected (*see France*).

30 Dec.—Man-power discussions (*see International Labour Office*).

5 Jan.—Trade Agreement (*see Belgium*).

Colonies. In a report to the Foreign Affairs Committee, Count Sforza declared that when Italy regained her colonies she would encourage self-government there. Tripolitania would be granted 'a certain autonomy, including a local Parliament' on the lines of the administration in Tunisia. At the recent meeting at Cannes (*see Vol. IV, p. 834*) M. Schuman had promised to support Italy's claims in Africa.

JAPAN. 22 Dec.—The seven leaders condemned to death by the International Military Tribunal (*see Vol. IV, p. 768*) were hanged.

23 Dec.—The Prime Minister, Mr Yoshida, dissolved Parliament after a formal no-confidence vote, and called for a general election.

28 Dec.—*Indonesia.* The Dutch Ambassador told foreign correspondents in Tokyo that his Government was opposed to leaving Indonesia to the mercy of so-called 'nationalist leaders who are merely the tools of Russia'. The world should be grateful to Holland for stamping out Communism there.

5 Jan.—*Allied Council.* Gen. Derevyanko, the Soviet member of the Council, drew attention to the status of the police force, which he claimed, had greatly increased since the surrender and whose territorial divisions corresponded with the former military districts. A secret police force had also been formed. Mr Sebald (U.S.A.) denied these allegations and said his Government was proud of the record of the police force whose activities were in accord with allied objectives.

KASHMIR. 1 Jan.—A cease-fire order was imposed by the Governments of India and Pakistan.

6 Jan.—The plebiscite arrangements proposed by the U.N. Commission for India and Pakistan and accepted by both Governments were published in Karachi. The Secretary-General of the United Nations would nominate a plebiscite administrator of high international standing who would be appointed to office by the Kashmir State Government. All persons who had left the State because of the disturbances would return to vote and two Commissions, nominated by India and Pakistan respectively would facilitate their repatriation. The U.N. Commission would be responsible for ascertaining that the plebiscite had been free and impartial and would report accordingly to the Security Council.

KOREA. 25 Dec.—*Tass* announced that the evacuation of Soviet troops was completed.

28 Dec.—The U.S. Army announced plans to withdraw some of its troops.

31 Dec.—President Rhee denied that all Soviet troops had been withdrawn.

1 Jan.—U.S. recognition (*see U.S.A.*).

LEBANON. 5 Jan.—Admission to I.L.O. (*see International Labour Office*).

MALAYA. 28 Dec.—Five Chinese were killed and two wounded in a clash between Malays and Chinese in the Sitiawan area of Perak.

30 Dec.—Fifty bandits burnt an estate in the Bahau district of Negri Sembilan and killed three Chinese. Two men were killed by five armed Chinese just north of Mantin. In the Kalang area of Selangor a large force of bandits set fire to an estate and killed the Indian in charge.

31 Dec.—It was announced that seven British troops were killed and

nine wounded in an engagement with bandits on the Sungei Siput-Jalong road in Perak. Six bandits were also killed.

3 Jan.—It was announced in Singapore that from 16 June 1948 (when a state of emergency was declared) to the end of the year, 409 bandits were killed and 268 captured. Police, service, and civilian casualties were 482 killed and 404 wounded. Civilian casualties, of which more than two-thirds were Chinese, were 330 killed and 194 injured. Twenty-four Europeans were killed and 14 wounded.

4 Jan.—British troops landed on the west coast in an operation against the bandits.

5 Jan.—The General Officer Commanding, Singapore district, reported that the bandit organization in Johore was breaking up. During the past three weeks a number of new camps had been destroyed, twelve bandits killed, fifteen captured, and a hundred and thirty-two suspects detained.

NETHERLANDS. 23 Dec.—*Indonesia*. Suspension of K.L.M. services (*see India and Pakistan*).

Note on withdrawal of transport facilities (*see Ceylon*).

28 Dec.—It was announced that a trade and payments agreement had been made with Hungary providing for an exchange of goods valued at 40 million guilders in 1949.

It was officially announced that Jonkheer van Verduynen, the Dutch Ambassador in London, would shortly visit *Indonesia*.

Statement on Communism in *Indonesia* (*see Japan*).

29 Dec.—Drees' visit to *Indonesia* (*see Security Council*).

Dr Stikker flew to London and saw Jonkheer van Verduynen.

Ruhr agreement (*see Six-Power Conference on the Ruhr*).

31 Dec.—In a broadcast to *Indonesia* Dr Drees, Prime Minister, said he would do everything possible to conclude the 'police action' there in the near future. The new Constitution must now be extended to the whole territory.

4 Jan.—*Indonesia*. Dr Drees said that the objectives of his projected mission to *Indonesia* were the formation of a fully representative interim Government and preparations for setting up a United States of *Indonesia* to which the Netherlands could transfer sovereignty. Elections would be necessary before the United States were formed.

Lord Pakenham, British Minister of Civil Aviation, arrived at Amsterdam.

6 Jan.—*Indonesia*. In a broadcast speech, Queen Juliana said she had striven to fulfil Queen Wilhelmina's pledges to *Indonesia* (*see Vol. IV, p. 88*). Because of the 'violence and chaos' caused by certain unco-operative elements it had been necessary to take military action but with the sole purpose of bringing about order, prosperity, freedom independence, and sovereignty, in a Federal State.

NEW ZEALAND. 1 Jan.—Conference on *Indonesia* (*see India*).

NORTHERN IRELAND. 6 Jan.—Attlee's pledge on Constitutional status (*see Great Britain*).

NORWAY. 6 Jan.—Scandinavian defence (*see Sweden*).

PAKISTAN. 23 Dec.—*Indonesia*. The Foreign Minister, Sir Moham-mad Zafrullah Khan, told Parliament that the Government had decided to suspend the K.L.M. air services operating over Pakistan.

26 Dec.—*Kashmir*. Members of the U.N. Commission for India and Pakistan left Karachi after a two-day visit during which they held discussions with the Governor-General and other Ministers.

1 Jan.—Cease-fire in Kashmir (*see Kashmir*).

4 Jan.—S. African transport ban (*see S. Africa*).

6 Jan.—Plebiscite proposals (*see Kashmir*).

PALESTINE. 22 Dec.—Gen. Riley, Chief-of-Staff of the U.N. Truce Supervisory Board, informed the Israeli provisional Government that the Egyptian Government had reversed its acceptance of the armistice resolution by demanding that all troops be withdrawn from the Negeb before armistice negotiations were opened. In a reply, the director-general of the Israeli Ministry of Foreign Affairs said this retraction impelled the provisional Government to 'reserve its freedom of action with a view to defending its territory'.

23 Dec.—U.N. headquarters in Haifa announced that Israeli forces had launched a combined land, air, and sea offensive at Gaza and other Egyptian key positions in the Negeb. Israeli Army headquarters stated that fighting was proceeding in the area of Nirim.

27 Dec.—It was reported that Syria, Saudi Arabia, the Yemen, and the Lebanon had accepted Egypt's call for immediate intervention.

Canadian recognition of Israel (*see Canada*).

U.N. reports stated that fighting had taken place in the Gaza area over the Christmas period, and that according to an Egyptian complaint Israeli forces had broken through to the sea in the south.

Jerusalem. Seven Israeli soldiers were wounded by Arab Legion fire.

28 Dec.—An Egyptian report to the U.N. Truce Supervisory Board at Haifa complained that strong Israeli forces had attacked Faluja and points on the Egyptian border.

Riley in Iraq (*see Iraq*).

29 Dec.—Call for a cease-fire and report of Jewish breach of Egyptian frontier (*see Security Council*). An official spokesman denied that Israeli forces had invaded Egypt, but added that they had fought Egyptian forces wherever these had been met.

Iraqi hostilities resumed (*see Iraq*).

30 Dec.—Gen. Riley said he could issue no reports on the fighting, as U.N. observers were still refused access to the Israeli forces and those attached to the Egyptian forces had been withdrawn.

31 Dec.—Reports from Tel Aviv indicated that the main Egyptian force in the Gaza area was threatened by Jewish units near Khan Yunis and Rafah and that all attempts to relieve the brigade at Faluja had been frustrated. An official Israeli spokesman announced that two villages close to the Egyptian frontier had been captured and that an Egyptian brigade based in this area had been routed. He claimed

the capture of some hundreds of Egyptian troops and of large quantities of stores and equipment. He refused to comment on reports of Jewish penetration into Egypt, but an Israeli Foreign Office statement said that, as in any war, military considerations alone decided the fixing of lines. Lovett-Franks discussion (*see U.S.A.*).

1 Jan.—Units of the Egyptian Navy shelled Tel Aviv without, apparently, causing any damage. Two naval craft flying an unidentified ensign were reported to have boarded a British merchant ship sixty miles off Haifa.

2 Jan.—Egyptian claims (*see Egypt*).
Bombs were dropped on Jerusalem.

3 Jan.—An Israeli Foreign Office spokesman accused Britain of planning to 'save Egypt from . . . military defeat on the basis of the Anglo-Egyptian treaty'.

King Abdullah of Transjordan was reported to have assured Arab leaders at Nablus that his army and Iraqi troops would remain in Palestine to help them.

4 Jan.—Reply to U.S. Note (*see U.S.A.*). Mr Marriot, the British Consul-General in Haifa, told the Israeli Government that Britain had no intention of declaring war on Israel. Britain had asked the U.S. to exercise its influence with Israel in order to avoid a direct dispute. An Israeli Foreign Office spokesman said that Israel would present to the Security Council evidence of Britain's preparations to take active part in the Negeb conflict.

5 Jan.—The Israeli Cabinet was reported to have accepted in principle the U.N. cease-fire order. It was later announced that the Government had accepted a proposal just received from the Egyptian Government through the offices of the U.N. Mediator, requesting a cease-fire in the Negeb, followed by troop withdrawals and armistice negotiations in accordance with the U.N. resolutions of 4 and 16 November 1948.

A spokesman at Israeli Army headquarters at Tel Aviv, discussing the recent Jewish incursion into Egyptian territory, said that while some Israeli columns had pursued Egyptian troops to Abu Aweigila, others had reached certain airfields near El Arish and others had penetrated areas south and south-west of the frontier. After inflicting heavy damage they had returned to their bases. If any troops remained on enemy territory their position would probably be reviewed at a future peace conference.

6 Jan.—Israeli Army headquarters reported that Iraqi troops had shelled Ramat Hakovesh, a Jewish settlement on the central front. Censorship on activities in the Negeb was maintained.

Alleged defence of arms embargo (*see Great Britain*).

POLAND. 22 Dec.—The names of the committees of the new United Workers Party which were announced included that of Mr Gomulka, former secretary-general of the Workers Party (who had been suspended from his functions because of 'right-wing deviationism').

28 Dec.—Note on Germany (*see Great Britain*).

SIX-POWER CONFERENCE ON THE RUHR. 29 Dec.—A communiqué (issued the preceding day) was published stating that the six Powers had reached agreement on an International Authority for the Ruhr, and had submitted the draft to their respective Governments. The Authority was one of a number of organizations being set up in the interests of security and European recovery, each with its separate jurisdiction. Another was the Military Security Board whose main functions had recently been agreed upon by the three Military Governments, and which would be responsible for maintaining disarmament and demilitarization in Germany. The communiqué summarized the main points of the Ruhr agreement and stressed the fact that it did not include the question of the final ownership of the industries. The aim of the Authority was not to limit free competition by European industries in the world markets, but to secure the economic and political welfare of Europe by the 'full and effective use of the industrial production of the Ruhr and the participation of a democratic Germany in the comity of nations'.

The draft agreement, which was published, included the following provisions: The members of the Authority, consisting of a Council and a Secretariat with headquarters in North Rhine-Westphalia, would be the signatory Governments and Germany. Initially, Germany would be represented on the Council and her votes cast by a national of the occupying Powers. When a German Government was established it might appoint a delegate with the right to attend meetings, and when the Government became 'entitled to cast votes' it might appoint a representative to the Council. The voting rights would be: Belgium, one; France, three; Germany, three; Luxembourg, one; Netherlands, one; U.K., three; U.S.A., three. Eight votes would secure a decision.

The Authority would be empowered to determine the division of Ruhr coal, coke, and steel as between German consumption and export without prejudice to any existing agreements between the occupying Powers and consistent with the objectives of the Convention for European Economic Co-operation. It would have the right to examine any measures taken by the German authorities including transport and prices affecting these commodities and, if necessary, to modify or abolish them. In making these decisions it would have due regard to the requirements of international security and to the legitimate commercial interests of Germany. During the control period the occupation authorities concerned would continue to enforce disarmament by controlling the supply of Ruhr coal, coke, and steel to any prohibited industries. Thereafter these powers would be transferred to such international body as might be set up by the peace settlement. At such a time the decartellization and economic denazification powers of the occupation authorities would be transferred to the Military Security Board or its successor, together with certain limited powers in the direction and management of Ruhr coal, coke, and steel. The Authority would have the right to obtain information on the production, distribution, and consumption of these products and on the supplies available to Germany from other sources.

The agreement would be valid from the date of signature until 'the coming into effect of a peace settlement for Germany and thereafter as provided in such peace settlement'.

French approval (*see France*).

SOUTH AFRICA. 31 *Dec.*—Dr Malan, Prime Minister, received Dr Evatt, the Australian Foreign Minister, in Capetown.

In a New Year message, Dr Malan called for a reform of the United Nations which was becoming a 'menace to liberty'. The gulf between conflicting ideologies was unbridgeable. South Africa must take military precautions in collaboration with Western Union and North America.

4 *Jan.*—*Native Policy.* Dr Mears, Secretary for Native Affairs, told the Natives' Representative Council in Pretoria (which was established in 1936) that as an experiment it had failed and that the Government intended to abolish it. Any reasonable suggestion on how to improve co-operation between Europeans and natives would be considered. The Government intended to develop local councils as a measure of native self-government.

It was announced that 'in view of the current relations between S. Africa and India and Pakistan' the passage of Indian and Pakistan nationals by air over the Union had been banned unless they held a Government permit.

5 *Jan.*—*Native policy.* The Native Representative Council passed a resolution urging the Government to declare in full detail its policy towards the native population.

SOUTHERN RHODESIA. 5 *Jan.*—The Government issued a statement describing new regulations improving the conditions of service in commerce and industry for African workers.

SPAIN. 31 *Dec.*—Gen. Franco announced that he had signed a decree making the Council of the Realm the nation's highest consultative body.

SUDAN. 23 *Dec.*—The Governor-General, Sir Robert Howe, opened the first Assembly which he described as 'an experiment unparalleled in Africa'.

3 *Jan.*—Egyptian Premier's statement (*see Egypt*).

SWEDEN. 6 *Jan.*—*Defence.* It was announced that the Swedish, Danish, and Norwegian Prime Ministers, Foreign Ministers, and Defence Ministers had held a two-day meeting at Karlstad to discuss Scandinavian defence questions. A further meeting would take place in Copenhagen.

TRANSJORDAN. 3 *Jan.*—King Abdullah's statement (*see Palestine*).

UNITED NATIONS

INDIA-PAKISTAN COMMISSION

26 *Dec.*—Visit to Karachi (*see Pakistan*).

6 Jan.—Plebiscite proposals (*see Kashmir*).

INTERNATIONAL LABOUR OFFICE

30 Dec.—It was stated in Geneva that the Director-General, Mr Morse, had visited Italy and discussed Italian manpower problems with members of the Government.

5 Jan.—Lebanon was admitted as the sixtieth member state.

SECURITY COUNCIL

22 Dec.—*Indonesia*. A report received from the Committee of Good Offices declared that in launching military operations the Dutch Government had violated the Renville truce agreement. The Dutch Note imposing a time-limit which could not be fulfilled amounted practically to an ultimatum. In the recent direct talks between the parties the Dutch had demanded terms amounting to complete surrender by the Republicans. It was further stated that the Governments of the States of East Indonesia and Pasundan in Dutch controlled territory had resigned in protest.

Dr van Royen (Netherlands) accused the Republic of failing to co-operate in establishing a federal Government to which it had pledged itself and of violating the truce. 11,000 Republican troops had filtered through the Dutch lines and 300 Indonesian officials had been murdered. The Republican Government had moreover retracted several points of an *aide-mémoire* presented to the Dutch Foreign Minister on his visit to Batavia (*see Vol. IV, p. 734*), and had made plans to leave for India (*see Vol. IV, p. 844*). There was evidence of Communist influence in the Republic closely linked with the Communist movements in China, Burma, and Malaya. He ended by challenging the competence of the Council to deal with the case, which was a breach of internal peace exclusively within Dutch responsibility, but reaffirmed that his Government was willing to submit it to the International Court of Justice.

M. Palar (Indonesia) accused the Dutch of deliberate delay in reaching agreement. They had broken the Renville agreement by imposing an economic blockade. The alleged infiltrations consisted only of Republicans returning to their homes, and truce violations were due to uprisings of people under Dutch control. Dutch demands amounted to the dissolution of the Republic and the surrender of all its political, military, and economic powers. The Indonesian people would now continue their struggle with guerrilla warfare and a policy of scorched earth. 'This war can, and will be, carried on for years.'

Dr Jessup (U.S.A.) said that his Government found no justification for the Dutch renewal of military operations, which violated the Council's cease-fire order of 1 August 1947. The situation might prove a grave threat to international peace and he joined with the delegates of Syria and Colombia in tabling a motion, calling on both parties for an immediate cease-fire and the withdrawal of troops.

23 Dec.—*Indonesia*. The Dutch action was criticized by the delegates of China, Australia, Syria, India, and the U.S.S.R. Col. Hodgson

(Australia), said that the Dutch violation of the cease-fire was 'worse than what Hitler did to Holland in 1940'. He introduced an amendment to the U.S. resolution calling for the liberation of the Republican leaders. M. Malik (U.S.S.R.), after accusing both the Council and the Committee of Good Offices of complicity in Dutch colonial aggression, said that a committee composed of all State members of the Council should be formed to ensure the cessation of military operations and the withdrawal of the Dutch to their previous positions. His Government could not support the U.S. draft resolution because by calling upon both parties to cease hostilities it gave the impression that both were responsible.

24 Dec.—*Indonesia*. After a clause in the U.S. motion demanding the withdrawal of armed forces to their previous positions had been defeated by two votes, a resolution calling for a cease-fire and the release of political prisoners was adopted by seven votes to four abstentions (France, Belgium, U.S.S.R., Ukraine).

27 Dec.—*Indonesia*. A report received from the Committee of Good Offices stated that the Republican Forces were evading direct action in favour of guerrilla warfare or 'scorched earth'. The Dutch had violated the truce agreement, since the Note denouncing it had been delivered only half an hour before operations began. There was no legitimate basis for forsaking negotiations for force.

Dr van Royen (Netherlands), replying to the Council's cease-fire order, read a statement on behalf of his Government which was giving the resolution 'serious consideration'. After declaring that the 'operational phase of the action in Java' was almost finished, it reaffirmed that the Dutch aimed at setting up a federal Government after consultations with representatives of all areas of Indonesia.

The Indonesian reply to the cease-fire order stated that since the Republican leaders were under arrest, it was impossible to take action.

During the discussion the Netherlands statement was generally condemned. M. Malik (U.S.S.R.) said the Dutch were actively defying the authority of the Council and tabled a motion for a cease-fire within twenty-four hours. This was defeated. Dr Jessup (U.S.A.) said he was not satisfied but that he needed more time to consider the new situation, and Mr Falla (Britain) also asked for more time.

Palestine. It was learnt in Paris that an urgent message had been received from the Egyptian Foreign Minister about heavy Jewish attacks in the Negeb. A report from Dr Bunche, acting U.N. mediator, stated that U.N. observers were being refused access to the fighting on the Israeli side.

28 Dec.—*Indonesia*. A resolution calling on the Dutch to release the political prisoners immediately and report back within twenty-four hours was passed by 8 votes to 3 abstentions (Belgium, Britain, and France). A Colombian resolution requesting the Consular Representatives in Batavia to send a complete report on the situation was adopted by 9 votes to 2 abstentions (U.S.S.R. and Ukraine).

Palestine. Mr Beeley (Britain) tabled a motion calling for an immediate cease-fire and the implementation of the Council's request for

troop withdrawals in the Negeb. The resolution also called for a meeting of the 'Negeb' Committee at Lake Success on 6 January. A statement by Mahmud Fawzi Bey (Egypt) accusing the Jews of menacing the political and social system of the whole Middle East was countered by Mr Fisher (Israel) who declared that the Egyptian Government had changed its mind about armistice negotiations and had prepared for an offensive in the Negeb, timed for 27 December. The Israeli position was therefore one of legitimate defence.

29 Dec.—*Indonesia*. Dr van Royen (Netherlands) declared that operations in Java would end by midnight on 31 December and in Sumatra two or three days later, though it would 'remain necessary to act against disturbing elements'. The political prisoners would be released on the understanding that they 'refrain from activities endangering public security'. He also announced that the Dutch Prime Minister, Dr Drees, would shortly leave for Batavia to begin consultations with representatives of all parties for the establishment of an interim federal Government. Mr Falla (Britain) angered the delegates of India, Syria, the U.S.S.R., and Australia by welcoming this declaration. He did not minimize the importance of the whole issue but felt that the Council had shown 'a certain impetuosity' in handling it and he shared the doubts of other delegates about the Council's competence.

Palestine. The British resolution was adopted. Mr Beeley (Britain) said that according to information from the British Embassy in Cairo Jewish forces had advanced about six miles across the Egyptian frontier near El Arish. Jewish denial (*see Palestine*). The Paris session of the Council was adjourned.

30 Dec.—*Indonesia*. M. Palar (Indonesia) told a press Conference in Paris that Republican troops would continue their resistance until Dutch resources were exhausted. An emergency Republican Government had been set up in Sumatra.

3 Jan.—*Berlin*. It was stated in London that the 'neutral' committee of experts set up in November 1948 had submitted to the four Governments a technical study of the currency problem.

5 Jan.—*Palestine*. Resolutions accepted (*see Palestine*).

U.S.A. 22 Dec.—*Indonesia*. Mr Hoffman, E.C.A. administrator, announced the suspension of Marshall Aid supplies for Indonesia.

26 Dec.—Symington on Berlin air-lift (*see Great Britain*).

27 Dec.—Royall on Russian concentration camps (*see Germany*).

In a speech at Kansas City President Truman said that 'certain leaders' in the Soviet Government were anxious to reach a real understanding with the U.S.A. After accusing the U.S.S.R. of breaking agreements at Yalta and Potsdam he said he was sure that 'if the people of Russia had a voice in the Government of Russia, these agreements would have been kept'.

Costa Rica. Acting on a report of the Commission of Enquiry (*see Vol. IV, p. 854*) which found that the invasion had been led by Costa Rican political exiles independent of the Nicaraguan Government, the Council of the Organization of American States called on Costa Rica and

Nicaragua to abstain from any hostile act in connection with their border dispute.

28 Dec.—*Costa Rica*. The Council of the Organization of American States received a report from Costa Rica complaining that her territory had been invaded again on 25 December and asking for an investigation of the attitude of Nicaragua.

29 Dec.—*Defence*. An annual report was issued by Mr Forrestal, Minister of Defence, in which he emphasized the importance of the 'military self-reliance of Western Europe' and called for a 'modest' programme of military aid to support it. He also stressed the relationship between U.S. defence and foreign policy and said that U.S. security could not be measured in terms of the U.S. alone. 'As a primary precaution against war we must strive to prevent its inception everywhere'. On the domestic side he proposed that his own powers should be strengthened and that a head of the joint Chiefs-of-Staff should be appointed.

Mr Lovett, Under-Secretary of State, told a Press Conference that the charges made against Cardinal Mindszenty were patently false and would effect the attitude of all free nations towards Hungary.

Ruhr agreement (*see Six-Power Conference on the Ruhr*).

30 Dec.—Mr Bedell Smith, U.S. Ambassador in Moscow, said on arrival in Washington that he had submitted his resignation to Mr Truman.

31 Dec.—A State Department spokesman reaffirmed U.S. support for Gen. Chiang Kai-shek.

Palestine. Mr Lovett, Under-Secretary of State, received the British Ambassador, Sir Oliver Franks, who was reported to have drawn attention to the possibly serious consequences under the Anglo-Egyptian Treaty of the incursion of Israeli troops over the Egyptian frontier.

1 Jan.—The Government recognized the Republic of Korea.

3 Jan.—Note on German prisoners of war (*see U.S.S.R.*).

4 Jan.—Mr Royall, Secretary of the Army, told a press conference in Washington that he had sent recommendations to the President on the need for arming Western Europe. Of his European tour he said he had found increased determination to resist Communism in every country he had visited.

Palestine. The State Department announced that following discussions with the British Ambassador a Note had been sent to the Israeli Government urging it to avoid any action which might aggravate the conflict, to comply with the U.N. cease-fire resolution, and to open prompt negotiations for an armistice. An assurance had been received in reply that all the Israeli troops which had crossed the Egyptian frontier had been withdrawn and that there had been no intention of occupying Egyptian territory. The U.S. Government had sent similar representations to the Egyptian Government deprecating the recent naval and air attacks on Palestine.

5 Jan.—*Message to Congress*. Speaking before a joint session of the eighty-first Congress, President Truman said that although 'great progress' had been made since the New Deal was launched there were

still many 'shortcomings' and he proposed the following measures to combat them:

Inflation. Legislation should be enacted affecting the control of credit, speculation, exports, transport, key materials, prices and wages, and authorizing the study of production facilities for materials in short supply such as steel.

Budget. Taxation should be increased by \$4,000 million.

Labour and Wages. The Taft-Hartley Act should be repealed and substituted by the old Wagner Act. Provision should be made for prohibiting jurisdictional strikes and for preventing strikes 'in the vital industries which affect the public interest'. The minimum wage should be raised to at least 75 cents an hour.

Monopolies. The Anti-Trust laws should be reinvigorated to banish monopolistic mergers and thus encourage small business.

Agriculture. Farm price supports should be continued and means of extending agricultural markets both at home and abroad be studied.

Public Works. Special legislation should be enacted for the provision of low-rent public housing, slum clearance, farm housing, and housing research together with a programme of increased electrification of rural areas and the development of the nation's rivers for power, irrigation, navigation, and flood control. The St Lawrence seaway and power project must be approved by Congress.

Social Security and Education. The social security laws should be expanded and provision made for a system of National Health Insurance. Government aid for schools should be increased and the Government agency responsible for all these programmes should be given Departmental status.

Civil Rights. A programme embodying the promise of equal rights and opportunities proclaimed by the founders of the Republic should be carried out.

Speaking of international affairs, he reaffirmed his support of free States and free peoples throughout the world and said he would later ask Congress 'to consider several measures in the field of foreign policy' mentioning specifically a recommendation to extend the Reciprocal Trade Agreements Act for three years. (*Conclusion*).

European Economic Co-operation. Mr Bissell, Assistant Deputy Administrator of E.C.A., told a press conference that the long-term programme just issued by the O.E.E.C. corresponded to the U.S. request for a programme of action. The estimated \$1,000 million deficit was a dramatic indication of the gap Europeans must bridge before E.R.P. ended. A study of the programme convinced him that E.R.P. would be able to end on schedule.

Indonesia. The State Department announced that Mr Cochran, U.S. delegate to the Committee of Good Offices in Indonesia, had been recalled for consultations.

Mr Lovett received the British Ambassador for further discussions on Palestine.

6 Jan.—**Indonesia.** In a letter to the President of the C.I.O., Mr Lovett reviewed U.S. efforts to end the fighting in Indonesia and said

that the Government would refuse to accept as final the so-called Dutch 'police action' there.

China. Mr Bullitt, former Ambassador to Moscow and Paris, warned the Congressional 'watchdog' Committee on foreign aid of the danger to the whole of Asia if South China fell to the Communists. This could only be averted if the U.S.A. took rapid action not only by sending economic and military supplies but by providing direction and control in the person of 'a fighting General of the highest qualities'.

Harriman on E.R.P. report (*see European Economic Co-operation*).

U.S.S.R. 25 Dec.—Evacuation of Korea (*see Korea*).

27 Dec.—Royall statement on concentration camps (*see Germany*).

28 Dec.—A trade agreement was signed with Yugoslavia reducing the volume of goods to be exchanged in 1949 to one-eighth of the 1948 total.

29 Dec.—*Tass* announced that M. Kosygin, vice-president of the Council of Ministers and Minister of Finance, had been appointed Minister of Light Industry and that M. Zverev had been appointed Minister of Finance. A decree was issued combining the Ministries of Light Industry and of the Textile Industry.

Moscow radio described the Ruhr agreement as an 'outrageous violation of international agreements'.

31 Dec.—*Trade Agreement.* The Government announced that the unfriendly policy of the Yugoslav Government had made large-scale economic co-operation impossible. Yugoslav comment (*see Yugoslavia*).

3 Jan.—*German prisoners of war.* Notes were received from the British, French, and U.S. Governments stating that all German prisoners of war held by them had been repatriated and asking if the Soviet Government had also fulfilled its obligation under the April 1947 agreement (*see Vol. III, p. 263*). *Tass* later issued a statement replying that the 'overwhelming majority' of German prisoners in the U.S.S.R. had returned home and that the remainder would be repatriated in 1949.

6 Jan.—Note on Anglo-Soviet trade (*see Great Britain*).

VATICAN. 30 Dec.—All persons responsible for the arrest of the Hungarian Primate, Cardinal Mindszenty, were excommunicated.

2 Jan.—It was announced that a Hungarian request for an understanding with the Holy See 'independently of the personal case of the Primate' had been rejected.

5 Jan.—The Vatican was reported to have received notice of a tentative financial agreement made between the Hungarian Government and the Hungarian Roman Catholic Church.

WESTERN UNION. 27 Dec.—Ramadier on defence (*see France*).

4 Jan.—Meeting of European Unity Committee postponed (*see Great Britain*).

YUGOSLAVIA. 22 Dec.—*Macedonia.* A report from Belgrade stated that in a speech the previous day before a Congress of

the Macedonian Communist Party at Skoplje, Gen. Vukmanovitch, Yugoslav Minister of Mines, said that Bulgaria's failure to give the promised administrative autonomy to Pirin Macedonia had made the projected Balkan federation impossible. The Congress passed a resolution accusing Bulgaria of expansionist aims towards Yugoslav Macedonia.

Dimitrov on Macedonia (*see Bulgaria*).

23 Dec.—Agreements with Britain (*see Great Britain*).

27 Dec.—Marshal Tito told Parliament that if the Cominform countries continued to 'violate trade agreements', Yugoslavia would be compelled to divert exports of raw materials to the west. He also said that plans to industrialize the country 'did not suit many States which had expected Yugoslavia to remain a source of raw materials for their industry'. 'Contrary to their advice' it had been decided to exploit all local resources. The last year had been the 'most difficult' but the annual economic programme had been fulfilled 'in spite of economic pressure against our country'.

28 Dec.—Trade Agreement (*see U.S.S.R.*).

30 Dec.—In a recent speech before Parliament M. Kardelj, Foreign Minister, denied that the Government's views on federation with Bulgaria had altered. The only obstacles to this were the Cominform resolution and 'pan-Bulgarian chauvinism'. After reaffirming Yugoslav support for the United Nations, he spoke of the efforts being made to improve relations with Italy. He also said that eighteen agreements had been made with countries outside the eastern bloc.

31 Dec.—*Trade Agreement*. Soviet comment (*see U.S.S.R.*). According to a Government announcement the reduction was due to Yugoslav refusal to accept unfavourable Soviet terms.

2 Jan.—In a broadcast speech, Marshal Tito attacked the Cominform for its 'campaign of untruths' against Yugoslavia. Anti-Tito front in Bulgaria (*see Bulgaria*).

FORTHCOMING EVENTS

- Feb. — Conference between Southern and Northern Rhodesia, and Nyasaland, to discuss federation, Victoria Falls.
- „ 13 Presidential election, Portugal
- Mar. 2 Coronation of King Phumiphon Aduldet of Siam.
- „ 21 U.N. Economic Commission for Europe, Geneva.
- „ 28 Inter-American Economic Conference, Buenos Aires.
- „ 31 Entry of Newfoundland into the Confederation of Canada as the tenth province.
- April 1 Further session of the U.N. General Assembly, Lake Success.
- „ — General Election in Burma.
- „ — International Socialist Conference, Copenhagen.
- „ 4 Tariff negotiations under the General Agreement on Tariffs and Trade, Geneva.
- May — U.N. Conference on the conservation and utilization of the world's resources, Lake Success.
- „ 10 South Pacific Commission, Noumea, New Caledonia.
- June 8 I.L.O. Conference, Geneva.
- „ 20 U.N. World Health Assembly, Rome.
- Nov. — U.N. Economic Commission for Asia and the Far East, Singapore.